



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

**BOARD OF TRUSTEES
TELEPHONIC CONFERENCE**

Monday, November 30, 2009
10:00 a.m.

To Participate Dial: **1-888-447-7153**

Enter Passcode: **2261240**

AGENDA

Call to Order		Kay Blackwell
ACTION		
1	Workers' Compensation Fund Proposal	Johnnie Miller
Other Business		
Adjourn		



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

BOARD OF TRUSTEES TELEPHONIC CONFERENCE

MINUTES

November 30, 2009, 10:00 a.m.

BOARD MEMBERS PARTICIPATING

Kay Blackwell, *President*, Piute County Commissioner
Ken Bischoff, *Vice President*, Weber County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor
Bruce Adams, San Juan County Commissioner
Brad Dee, Weber County Human Resources Director
Jim Eardley, Washington County Commissioner
LaMar Guymon, Emery County Sheriff
Jerry Hess, Davis County Deputy Attorney
Karla Johnson, Kane County Clerk-Auditor
Kent Sundberg, Utah County Deputy Attorney
Steve White, Utah County Commissioner

BOARD MEMBERS UNABLE TO PARTICIPATE

Wayne Smith, Iron County Commissioner
Jerry Hurst, Tooele County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Manager of Administration

Call to Order

Kay Blackwell called this telephonic conference of the Utah Counties Insurance Pool Board of Trustees to order at 10:00 a.m. on November 30, 2009 and welcomed those participating.

Workers Compensation Fund Proposal

The Workers Compensation Fund (Fund) has analyzed UCIP member data in order to provide a proposal for a joint master policy purchase of workers' compensation coverage and services. The Board of Trustees previously received premium comparison sheets and a draft loss portfolio transfer agreement for review (see attachment number one). Because the Pool uses actuarial indications for each member's experience modification, the Fund calculated premiums based on a 1.00 experience modification factor for each county; the Fund is required to use the National Council on Compensation Insurance (NCCI) experience ratings. Johnnie Miller explained that by using a 1.00 mod in 2010, the members could experience a large swing in premium calculations when they are rated individually by NCCI in 2011. The Fund's proposal is that the Pool would pay for the master policy; it is up to the Board how the premium is calculated for each member. Johnnie explained that through the joint purchase, members receive a safety discount and a group discount which reduces some member's premium up to 25% from what the Pool can offer. Those counties who are currently insured by the Fund will benefit by joining UCIP and receiving the group discount of 10% or more. Any dividend at the end of the year will be returned to the Pool. The Board of Trustees can decide how to use the dividend, i.e., allocate back to the members, stabilize reserves, improve safety programs, etc. The Fund is currently conducting an audit of the claim files and will provide a formal proposal on the handling of claims by the next Board Meeting. Jim Eardley made a motion to accept the total premium proposal by the Workers Compensation Fund for current renewing members. Karla Johnson seconded the motion, which passed unanimously. The Board directed Johnnie to provide an option using the experience mod calculated by the actuary and the experience mod proposed by the Fund in an effort to reduce the fluctuation of premium amounts. The Board's decision will be reported to the membership at its annual meeting on December 3, 2009.

Approved on this 17th day of December 2009

Steve Wall, UCIP Secretary-Treasurer

Sonya White

From: Sonya White [sonya@ucip.utah.gov]
Sent: Wednesday, November 25, 2009 2:20 PM
Cc: Johnnie Miller
Subject: UCIP Board Telephonic Conference, Nov 30
Attachments: Agenda.pdf; Memo WCF Program.pdf; WCF Comparison.pdf; WCF LPT Agreement.pdf

Dear Trustee,

Please plan to participate in a Telephonic Conference of the UCIP Board on Monday, November 30, 2009 at 10:00 a.m. Instructions on how to join the Telephonic Conference are listed on the attached Agenda. Also attached is the CONFIDENTIAL proposal from the Workers' Compensation Fund.

Please reply to this email whether you will or will not be able to participate.

Thanks for all you do for the Pool and **Happy Thanksgiving.**

Sonya White
Manager of Administration
Utah Counties Insurance Pool
PO Box 95730
10980 Jordan Gateway
South Jordan, UT 84095-0730
801-307-2113(d)
801-307-2121(f)

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11/30/2009













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Notice Subject 2:	-- Please select subject -- 
Street Address: *	Conference Call
Street Address continued:	
City: *	Conference Call
Zip:	
Start Date: *	11/30/09 10:00 AM 
End Date:	11/30/09 11:00 AM 
Deadline Date: (What's this) Deadline dates often includes deadlines for submitting written comments or requests to speak at a meeting.	
Description / Agenda: *	Call to Order Workers'   By law, agendas must be posted into this field and not solely added as an attachment.

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In compliance with the Americans with 


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Kay
Bruce
Hess
Lamar
Wall
Jim
Karla
Brad
Ken
~~Kent~~
White

Summary

Jan 1 2010
joint purchase master policy

- fund proposal
UCIP (parent) policy holder
overall pool mod

Board decide how to stabilize rates.
Each county policy #
enter into WCF website
individual &
w/ benefit of group.

- Premium summary
being double checked
but Johnnie review close
to what members can
expect.

Safety discount Brady/Mark
work.



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UCIP uses mod master to develop individual mods

- All quotes based on 1.0 mod since WCF must have NCCI mod

members must understand part of overall process in 2010. If mod higher 1.0 may go up next year if mod higher.

up to Board to come up with \$1,199,023 to pay WCF

These premiums still higher than Trust because Trust is not underwriting.

Any premium we offer Trust will cut theirs even more.

Any dividend at end of year to UCIP, Board ^{options} back to members, stabilization reserve, improve safety programs, grant

BOX
DAV
EME

10% discount as group rather than individual depending on size of county. 10% or more.

UCIP created
Help stabilize premiums self-insure or joint purchase.

2011 counties required to stay or come & go?

JM loose premium credit (15% safety, 14% premium)
premiums increase for those staying.

25.8% total if county under 1.0 mil then credit
at 1.0 ~~million~~

Board options

1. premium somewhere in between UCIP & IUCF

Brad parameters, are we a pool?

Are we looking at each of our counties or the pool?

This provides a great opportunity for us to pool.
Not relevant what Trust is doing.

~~UCIP~~ fund would do all administration of claims. UCIP would assist, billing.
JM & SW.

Up to Board if they want any income.

JM recommend not any admin up front if any take from dividend.



Utah Counties Insurance Pool
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Utah Counties Insurance Pool
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MEMORANDUM

To: Board of Trustees

From: Johnnie Miller, CEO

Date: November 25, 2009

Re: Workers Compensation Fund Proposal Summary

I met with representatives of the Workers Compensation Fund (WCF) yesterday to review their initial proposal related to our workers compensation program. The WCF plans to have a formal proposal provided to us for your consideration at your December 17th meeting.

WCF's proposal is based on issuing "parent-child" type policies where one master policy would be issued to the parent (UCIP), but each child (member) would have their own policy number. This allows all the members to benefit from being part of a large joint policy which provides preferred rates, better scheduled credits and higher premium volume discounts than they could get on their own, yet they retain the ability to reduce their own individual experience mod. UCIP would bill the individual members for their share of the WCF premium. Because UCIP is no longer taking risk, WCF pays all premium taxes. As a mutual insurance company, WCF has historically paid dividends to its policy holders. While dividends cannot be guaranteed, WCF has paid dividends each of the last 15 years. I am working with WCF to arrange for payment of dividends to be made to UCIP as the policy holder, which would allow the Board to utilize some of the dividend to create a rate stabilization reserve and or a safety grant fund.

Based on the group rates and discounts, I prepared the attached breakdown of costs per county. (Please note the option which includes Utah County is a rough estimate, which will be clarified in the formal proposal.) Based on these estimates, each member of UCIP would save a significant amount on their 2010 premium costs. WCF has recognized that this program will allow counties that are currently with WCF (Beaver, Box Elder & Davis) to lower their premiums while retaining all the services they are provided by WCF, and are prepared to allow those counties to join this program to reduce their costs with no penalty.

I have also attached a draft copy of the WCF standard agreement for Loss Portfolio Transfer (LPT). WCF continues to work on a proposal to buy UCIP's liabilities related to workers compensation claims from 2004 through 2009. This would allow UCIP to clean these liabilities off our balance sheet; however it would reduce our assets as we transfer our current reserves on these claims to WCF to pay for the LPT. WCF is not sure they will be ready to conduct this LPT as of 1-1-2010, in which case they will provide a quote to provide claims administration services to UCIP on these claims.

Based on the initial proposal from WCF, I recommend the Board authorize me to enter into the LPT agreement (which can be terminated any time prior to the closing date) and to discuss this program with the membership at the Annual Membership Meeting scheduled for December 3rd.

I look forward to answering any questions you may have.

JRM/jrm

UTAH COUNTIES INSURANCE POOL

WCF Proposal Summary Comparison

Including all 2009 Members

Member	UCIP Premium	WCF Premium	Difference \$	Difference %
Cache	176,110	135,411	-40,699	-23.1%
Carbon	129,268	92,311	-36,957	-28.6%
Daggett	30,189	24,072	-6,117	-20.3%
Duchesne	89,802	60,229	-29,573	-32.9%
Garfield	41,528	32,802	-8,726	-21.0%
Iron	188,772	119,460	-69,312	-36.7%
Juab	52,389	30,532	-21,857	-41.7%
Kane	97,315	37,118	-60,197	-61.9%
Millard	114,945	75,671	-39,274	-34.2%
Morgan	39,753	28,907	-10,846	-27.3%
Plute	17,074	8,113	-8,961	-52.5%
Rich	18,050	10,819	-7,231	-40.1%
San Juan	85,560	65,994	-19,566	-22.9%
Sanpete	43,978	29,172	-14,806	-33.7%
Sevier	77,373	64,073	-13,301	-17.2%
Tooele	232,180	182,872	-49,309	-21.2%
Uintah	193,427	92,026	-101,401	-52.4%
Wasatch	214,462	112,220	-102,242	-47.7%
Washington	275,588	201,999	-73,590	-26.7%
Wayne	14,840	9,305	-5,535	-37.3%
Weber	472,090	419,326	-52,764	-11.2%
UCIP	837	559	-278	-33.2%
Totals	2,605,531	1,832,990	-772,542	-29.7%

UTAH COUNTIES INSURANCE POOL

WCF Proposal Summary Comparison

Including Uintah, Utah and Washington

Member	UCIP Premium	WCF Premium	Difference \$	Difference %
Daggett	30,189	24,072	-6,117	-20.3%
Duchesne	89,802	60,229	-29,573	-32.9%
Garfield	41,528	32,802	-8,726	-21.0%
Iron	188,772	119,460	-69,312	-36.7%
Juab	52,389	30,532	-21,857	-41.7%
Kane	97,315	37,118	-60,197	-61.9%
Millard	114,945	75,671	-39,274	-34.2%
Morgan	39,753	28,907	-10,846	-27.3%
Plute	17,074	8,113	-8,961	-52.5%
Rich	18,050	10,819	-7,231	-40.1%
San Juan	85,560	65,994	-19,566	-22.9%
Sanpete	43,978	29,172	-14,806	-33.7%
Sevier	77,373	64,073	-13,301	-17.2%
Tooele	232,180	182,872	-49,309	-21.2%
Uintah	193,427	92,026	-101,401	-52.4%
Utah	750,000	500,000	-250,000	-33.3%
Washington	275,588	201,999	-73,590	-26.7%
Wayne	14,840	9,305	-5,535	-37.3%
Weber	472,090	419,326	-52,764	-11.2%
UCIP	837	559	-278	-33.2%
Totals	2,835,692	1,993,048	-842,644	-29.7%

UTAH COUNTIES INSURANCE POOL
WCF Proposal Summary Comparison

Including Uintah and Washington

Member	UCIP Premium	WCF Premium	Difference \$	Difference %
Daggett	30,189	24,072	-6,117	-20.3%
Duchesne	89,802	60,229	-29,573	-32.9%
Garfield	41,528	32,802	-8,726	-21.0%
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Sanpete	43,978	29,172	-14,806	-33.7%
Sevier	77,373	64,073	-13,301	-17.2%
Tooele	232,180	182,872	-49,309	-21.2%
Uintah	193,427	92,026	-101,401	-52.4%
Washington	275,588	201,999	-73,590	-26.7%
Wayne	14,840	9,305	-5,535	-37.3%
Weber	472,090	419,326	-52,764	-11.2%
UCIP	837	559	-278	-33.2%
Totals	2,085,692	1,493,048	-592,644	-28.4%

UTAH COUNTIES INSURANCE POOL
WCF Proposal Summary Comparison

Currently Renewing Members

Member	UCIP Premium	WCF Premium	Difference \$	Difference %
Daggett	30,189	24,072	-6,117	-20.3%
Duchesne	89,802	60,229	-29,573	-32.9%
Garfield	41,528	32,802	-8,726	-21.0%
Iron	188,772	119,460	-69,312	-36.7%
Juab	52,389	30,532	-21,857	-41.7%
Kane	97,315	37,118	-60,197	-61.9%
Millard	114,945	75,671	-39,274	-34.2%
Morgan	39,753	28,907	-10,846	-27.3%
Piute	17,074	8,113	-8,961	-52.5%
Rich	18,050	10,819	-7,231	-40.1%
San Juan	85,560	65,994	-19,566	-22.9%
Sanpete	43,978	29,172	-14,806	-33.7%
Sevier	77,373	64,073	-13,301	-17.2%
Tooele	232,180	182,872	-49,309	-21.2%
Wayne	14,840	9,305	-5,535	-37.3%
Weber	472,090	419,326	-52,764	-11.2%
UCIP	837	559	-278	-33.2%
Totals	1,616,676	1,199,023	-417,653	-25.8%

LOSS PORTFOLIO TRANSFER AGREEMENT

by and between

UTAH COUNTIES INSURANCE POOL (Seller)

and

WORKERS COMPENSATION FUND (Purchaser)

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Article 8 – Additional Covenants of the Parties

Article 9 – Closing

Article 10 – Termination

Article 11 – Miscellaneous Provisions

LOSS PORTFOLIO TRANSFER AGREEMENT

RECITALS

THIS LOSS PORTFOLIO TRANSFER AGREEMENT ("Agreement") is entered into this 31st day of December, 2009, by and between Utah Counties Insurance Pool, hereinafter known as Seller and Workers Compensation Fund, hereinafter known as Purchaser.

WHEREAS, Purchaser agrees to assume and accept from Seller, the handling, including but not limited to management, settlement and payment, of all the existing open and future new claim liabilities of Seller ("assumed claims") arising under or in connection with Seller's contracts of coverage, subject to the terms, conditions and limitations set forth; and

WHEREAS, it is intended that as a result of the consummation of the transactions completed by this Agreement on the Effective Date, there shall have occurred a liability transfer with respect to each and all of the Assumed Claims pursuant to which Seller shall be discharged from any further obligation in connection with the handling of said Assumed Claims; and

NOW, THEREFORE, in consideration of the mutual and several covenants and undertaking contained herein, and for other good and valuable consideration, the Seller and Purchaser agree as follows:

ARTICLE 1 – DEFINITIONS

“Agreement” means this Loss Portfolio Transfer Agreement.

“Agreement Date” means the date the Agreement was drafted.

“Applicable Law” means the laws of the State of Utah, which shall govern the terms of this Agreement.

“Assumed Claims” means all open, existing, workers compensation and employer’s liability claims as well as any claims that may have occurred or will yet occur within the period from January 1, 2004 and December 31, 2009, inclusive.

“Assumed Claims Liabilities” means any liability, demand, claim, action or cause of action arising out of or in connection with the Assumed Claims, including all claims costs and associated defense and handling costs.

“Claimant” means any insured or third party who has or may file a workers compensation or employer’s liability claim against Seller.

“Closing Date” means the date the Agreement is executed and all terms and conditions of the Agreement are fulfilled.

“Contracts of Coverage” means all workers compensation coverage and obligations.

“Effective Date” shall have the same meaning as “Closing Date”.

“Open Claim Loss Run” means a report generated from claim data in the Seller’s system, which lists all open claims as of the date of the report (“Loss Run”). The Loss Run may include, but may not be limited to, data reflecting the claim number, date of loss, the loss amount paid to date and the amount of allocated expenses paid to date.

“Open Claims” means the existing known and open claims arising as a result of Seller’s workers compensation or employer’s liability obligations.

“Records” means all documents, correspondence, statements, and any and all other documentation in the possession of Seller relating to the Assumed Claims.

ARTICLE 2 – ASSUMPTION OF CLAIMS

Section 2.1: Assumption of Assumed Claims Liabilities

- (A) Subject to the terms and conditions of the Agreement, Seller hereby transfers to Purchaser the following as of the Closing Date:
- (i) all of the Contracts of Coverage and the liability to pay all losses, including loss adjustment expenses, covered by said Seller's Contracts of Coverage prior to the Effective Date, including all existing and incurred but not reported ("IBNR") claims covered by the Contracts of Coverage and claims in litigation upon the Effective Date;
 - (ii) the liability to pay losses relating to any and all bad faith claim actions that may be pending against the Seller due to its failure to timely evaluate claims and pay benefits based on a Contract of Coverage issued by Seller; and
 - (iii) all rights the Seller may have now or in the future under or with respect to the Contracts of Coverage, including, without limitation, the right to adjust and settle claims, deny coverage, rescind Contracts of Coverage, etc. Once said transfer occurs, Purchaser shall be bound by all the terms and conditions of the Seller's Contracts of Coverage as if they had been issued by the Purchaser.
- (B) A list of each of the Open Claims by claim number is attached as Exhibit A and incorporated by reference.
- (C) It is expressly understood and agreed that under the terms of this Agreement, on the Closing Date, Purchaser shall fully assume the Assumed Claims Liabilities. Except as otherwise specifically provided in this Agreement, Purchaser does not and shall not assume, pay or be responsible for any risk, liability or obligation of Seller, or any affiliate of Seller, or any risk, liability or obligation in any way attributable to any aspect of the business of Seller, or any affiliate, except if related to the Assumed Claims Liabilities.
- (D) The Purchaser does not assume responsibility for failure to recover amounts due under reinsurance contracts if the lack of recovery is due to any failure by Seller to meet reporting, payment, notification or other obligations of the Seller prior to the Closing Date.

ARTICLE 3 – ASSUMPTION OF CLAIMS

Section 3.1: Financial Statements

No less than fifteen (15) calendar days prior to the Closing Date, Seller shall provide Purchaser with a Final Claims Exposure Report ("CER") for Seller as of the close of the preceding quarter, or such other date as mutually agreed by the parties, which CER shall be prepared in the format agreed upon by the parties and clearly identify the total workers compensation liabilities of Seller.

Section 3.2: Cash Payment to Purchaser

In consideration for the Agreement of Purchaser to assume the Assumed Claims Liabilities, the Seller shall pay the Purchaser xxxxxxxx dollars (\$x,xxx,xxx) in cash or cash equivalents within 10 days following the Closing Date.

ARTICLE 4 – ADMINISTRATION, CLAIM AND BENEFIT PAYMENTS

Section 4.1: Administration of Assumed Claims Liabilities by Purchaser

On and after the Closing Date, the Purchaser shall be responsible for the administration of all aspects of the Assumed Claims Liabilities, including, but not limited to, the following:

- (i) the defense, adjustment, settlement, processing and payment of claims, benefits and obligations arising under the express terms and conditions of the assumed claims,
- (ii) the notification and other reporting obligations to reinsurers as well as the collection of funds due under reinsurance contracts, and
- (iii) the administration of all other aspects of the Assumed Claims Liabilities.

On and after the Closing Date, Purchaser shall have full authority to administer all aspects of the Assumed Claims Liabilities and such matters shall be under the Purchaser's exclusive control and within its sole discretion, subject to the terms and conditions of the workers compensation insurance program which gave rise to the Assumed Claims Liabilities and any rights and duties with respect to the administration of the Assumed Claims Liabilities that are assigned to Purchaser.

Section 4.2: Information, Claims and Notices

The Seller hereby covenants to Purchaser that, on and after the Closing Date, the Seller shall cause:

- (i) any records not previously delivered to Purchaser and the original or copies of all information, notices and other written communications the Seller possesses relating to the Assumed Claims Liabilities (including all inquiries or complaints from state insurance regulators, agents, brokers, producers, and insureds) under Assumed Claims Liabilities to be reported and forward to Purchaser within ten (10) business days after either the receipt of such records or after the discovery of additional records by the Seller after the Closing Date; and
- (ii) the original of all claims, pleadings, suit papers or similar documents relating to Assumed Claims Liabilities to be reported and forwarded to Purchaser within ten (10) business days after receipt by the Seller. The Seller shall also undertake any

further arrangements reasonably requested by Purchaser to ensure that all such information, claims and notices are promptly delivered to Purchaser.

ARTICLE 5 – ASSIGNMENT OF RIGHTS

Section 5.1: Assignment of Rights

As of the Closing Date, the Seller shall assign to Purchaser all of the Seller's rights in connection with the Assumed Claims Liabilities, including rights under reinsurance contracts, and the Seller shall do any and all administrative acts which are necessary to effectuate the transfer of the Assumed Claims Liabilities to the Purchaser, as contemplated by this Agreement.

ARTICLE 6 – RECORDS

Section 6.1: Access

During the period from the date of the Agreement through the Closing Date, the Seller shall allow the Purchaser's officers, employees, consultants, accountants, actuaries, attorneys and other designated agents the rights to inspect such records as the Purchaser may request during normal business hours.

ARTICLE 7 – INFORMATION SCHEDULES

Section 7.1: Seller's Open Claims

Exhibit A identifies all known Claimants entitled to any claims payments from Purchaser in connection with the transactions hereby contemplated.

Section 7.2: Litigation

Based on the information obtained from the Seller and to the best of the Seller's knowledge, Exhibit A lists all actions, suits, arbitrations, or other legal, administrative or other governmental proceeding pending, threatened against Seller, before or by any court, bureau, commission, board or governmental agency or others, related to the Assumed Claims Liabilities.

ARTICLE 8 – ADDITIONAL COVENANTS OF THE PARTIES

Section 8.1: Conduct of the Seller before the Closing

From the date of the Agreement through the Closing Date, the Seller shall provide the following:

Section 8.1.1: Certain Transactions and Obligations

- (A) **Services.** Continue to service the Assumed Claims at the same level of service as is being provided as of the Date of the Agreement and otherwise preserve or keep available those persons reasonably necessary to service the Assumed Claims through the Closing Date;
- (B) **Maintenance of Records.** Maintain the records in a manner consistent with the current practices of the Seller, including all necessary information related to the Assumed Claims;
- (C) **Compliance with Law.** Comply in all material respects with all laws, regulations and insurance regulatory requirements and contractual requirements applicable to the Assumed Claims;
- (D) **Insurance Business.** Not make any material change in Seller's:
 - (i) reserves or method of establishing reserves under Assumed Claims Liabilities;
 - (ii) actuarial practices relating to the Assumed Claims Liabilities; and
 - (iii) loss benefit administration relating to the Assumed Claims.

Section 8.2: Consents and Reasonable Efforts

- (A) The Seller and Purchaser will cooperate with each other and take all reasonable action required to obtain all consents, approvals and agreements of, and to give and make all notices and filings with, any governmental authorities, regulatory or licensing agencies, and other persons necessary to authorize, approve or permit the consummation of the transactions contemplated by the Agreement and in each case, to provide the Seller and Purchaser with the full benefit of this Agreement.
- (B) The Seller and Purchaser shall use their respective best efforts, both before and to the extent necessary after the Closing Date, to obtain judicial approvals (if necessary) for, and in

general, to use their best efforts to satisfy all conditions precedent to the consummation of the transactions contemplated by this Agreement.

Section 8.3: Notification of Changes

From the date of the Agreement through the Closing Date, the Seller and Purchaser shall notify each other of any event, condition, change or circumstance occurring during that time period which may constitute a material violation or breach of any covenant contained in this Agreement.

Section 8.4: Expenses

Except as may be otherwise provided in this Agreement, the parties to this Agreement shall each bear their respective expenses incurred in connection with the negotiation, preparation, execution, and performance of this Agreement, including, but not limited to, all fees and expenses of representative, counsel, actuaries, and accountants.

Section 8.5: Confidential Information

All non-public information furnished by either party to the other party or its representatives, shall remain the property of the party furnishing the information and shall be held in strictest confidence by the party receiving the said information and shall not be used for any purpose other than consideration of the transactions contemplated herein. If the transactions contemplated are not consummated, each party and its representatives shall return to the party furnishing such information all originals and copies of the information furnished and shall continue to hold the information in strictest confidence and not use it for any purpose whatsoever. Further, the Purchaser shall take adequate security precautions to prevent the intentional or inadvertent disclosure of any non-public personal information provided by the Seller.

Section 8.6: Additional Information

Within ten (10) calendar days after the Agreement Date, the Seller shall provide the Purchaser with the following information with respect to each of the Assumed Claims:

- (i) the name and address of the Claimant and/or the representative of Claimant;
- (ii) the date of the claim;
- (iii) the current amounts paid and reserved for each Assumed Claim; and

- (iv) such other claim information, which is customarily obtained on an Loss Run, concerning the Assumed Claims as may be reasonably requested by the Purchaser.

ARTICLE 9 – CLOSING

Section 9.1: Time and Location

The Closing of the transactions contemplated by this Agreement shall take place at the Seller's offices on December 31, 2009 or such a date as the parties mutually agree (the "Closing Date").

Section 9.2: Deliveries by Purchaser

The obligations of the Seller to consummate the transactions contemplated by this Agreement is subject to the delivery of the following documents at Closing:

- (i) A certificate issued by an officer of Purchaser that all covenants and conditions of the Agreement have been complied with, satisfied or waived; and
- (ii) Copies of corporate resolutions authorizing the execution, delivery and performance of this Agreement by Purchaser which has been certified by the Purchaser's corporate secretary.

Section 9.3: Deliveries by Seller

The assumption by Purchaser of the Assumed Claims Liabilities and the obligations of Purchaser to consummate the other transactions contemplated by this Agreement on the Closing Date are subject to the delivery of the following documents at Closing:

- (i) A certificate issued by the Seller and attached to this Agreement as Exhibit A, the list of Assumed Claims delivered pursuant to Section 2.1 (B) confirming that the list is a complete list of all Assumed Claims that are known to the Seller.
- (ii) All records not already delivered to Purchaser pursuant to Section 4.2.

Section 9.4: Further Actions Subsequent to Closing

Each party, from time to time after Closing, will take actions as reasonably requested by the other party, such as execute other documents as may be required or necessary to effectuate the intent and purpose of this Agreement.

ARTICLE 10 – TERMINATION

Section 10.1: Grounds for Termination

This Agreement may be terminated at any time prior to the Closing Date by mutual written agreement of Purchaser and Seller.

Section 10.2: Effect of Termination

If this Agreement is terminated pursuant to Section 10.1, this Agreement will become null and void and have no legal effect.

ARTICLE 11 – MISCELLANEOUS PROVISIONS

Section 11.1: Amendment

This Agreement may only be amended in writing executed by all parties.

Section 11.2: Assignment

No party may assign this Agreement or any of its rights, interests or obligations without the prior written consent of the other party.

Section 11.3: No Third Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any person other than the parties and their respective affiliates or successors.

Section 11.4: Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 11.5: Entire Understanding

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof; there are no restrictions, promises, warranties, covenants, or undertakings with respect to such subject matter, other than those expressly set forth herein; and this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 11.6: Drafting of Agreement

All parties participated in the drafting of this Agreement. Any language in this Agreement determined to be ambiguous shall not be construed against any party by reason of having drafted said language.

Section 11.7: Applicable Law

The laws of the State of Utah shall govern this Agreement.

Section 11.8: Jurisdiction

The Third District Court in and for Salt Lake County, Utah, shall have exclusive jurisdiction with respect to this Agreement.

Section 11.9: Notices

All notices, consents, requests, waivers, elections, and other communications (collectively "Notices") authorized, required or permitted to be given under this Agreement shall be addressed as follows:

If to Seller:

Utah Counties Insurance Pool
Johnnie Miller, Chief Executive Officer
10980 South Jordan Gateway
South Jordan, Utah 84095

If to Purchaser:

Workers Compensation Fund
Scott E. Westra, Chief Financial Officer
392 East 6400 South
Murray, Utah 84107

All Notices must be given in writing, mailed by first class, registered or certified mail, and shall be deemed to be received three (3) days after the day of mailing. Either party may change its address for the receipt of Notices or the party to whose attention Notices are sent at any time, by giving notice thereof to the other party hereto. In the event that any legal process, notice, regulatory bulletin, shall promptly and forthwith forward such process, notice or bulleting to the other party as directed above, via registered or certified mail, and with an additional copy sent via facsimile.

Section 11.10: No Intermediary

The parties represent and warrant to each other that no intermediary was involved in the transactions contemplated by this Agreement and no payments to any intermediary are being made by the Purchaser as a result of the transactions contemplated by this Agreement.

Section 11.11: Partial Invalidity

If any court holds any provision of this Agreement or its applicability to any person or circumstance invalid, the remainder of this Agreement, including the remainder of the section in which such provision appears, or the applicability of such provision to other persons or circumstance shall not be affected thereby.

UTAH COUNTIES INSURANCE POOL

"SELLER"

By: _____

Its: _____

Date: _____

WORKERS COMPENSATION FUND

"PURCHASER"

By: _____

Its: _____ Chief Financial Officer

Date: _____

Sonya White

Cc: jmillier@ucip.utah.gov

Subject: UCIP Board Telephonic Conference, Nov 30

Attachments: Agenda.pdf; Memo WCF Program.pdf; WCF Comparison.pdf; WCF LPT Agreement.pdf

Dear Trustee,

Please plan to participate in a Telephonic Conference of the UCIP Board on Monday, November 30, 2009 at 10:00 a.m. Instructions on how to join the Telephonic Conference are listed on the attached Agenda. Also attached is the CONFIDENTIAL proposal from the Workers' Compensation Fund.

Please reply to this email whether you will or will not be able to participate.

Thanks for all you do for the Pool and **Happy Thanksgiving.**

Sonya White

Manager of Administration

Utah Counties Insurance Pool

PO Box 95730

10980 Jordan Gateway

South Jordan, UT 84095-0730

801-307-2113(d)

801-307-2121(f)

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11/25/2009

